

Message Text

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ORIGIN ARA-20

INFO OCT-01 ISO-00 CAB-09 CIAE-00 COME-00 DODE-00 EB-11

INR-10 NSAE-00 RSC-01 FAA-00 SCI-06 SCEM-02 TRSE-00

DOT-00 L-03 SS-20 NSC-10 DRC-01 /094 R

DRAFTED BY ARA/PAN:HLSTEIN:JVC

APPROVED BY ARA/PAN:SMBELL

ARA-LA/PAN:PFMORRIS

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P 150001Z DEC 73

FM SECSTATE WASHDC

TO AMEMBASSY PANAMA PRIORITY

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E.O. 11652: N/A

TAGS: ENRG, ETRN, PN

SUBJECT: CIVIL AVIATION - AIR PANAMA JET FUEL PROBLEM

REFERENCES: (A) PANAMA 6659; (B) SAYRE-BELL TELECON OF
12/12/73; AND (C) PANAMA 6713

SUMMARY: CHEVRON CLAIMS IT IS TREATING ALL ITS CUSTOMERS
EQUITABLY. DEPARTMENT IS CONTINUING ITS EFFORTS TO ASSIST
AIR PANAMA BEYOND DEC. 23. END SUMMARY

1. TO INVESTIGATE REPORT IN REF B OF UNFAIR TREATMENT OF
AIR PANAMA VIS-A-VIS AEROMEX AND LAN CHILE, DEPOFF IN
TELEPHONE CONVERSATION WITH CHEVRON OFFICIALS INQUIRED
RESPECTING COMPANY PROCEDURES IN ALLOCATING BONDED JET
FUEL AT MIAMI. CHEVRON'S MIAMI DISTRICT MANAGER
EXPLAINED HIS OFFICE HAD BEEN ORDERED BY NEW YORK HEAD-
QUARTERS OF CHEVRON INTERNATIONAL ON ABOUT DECEMBER 7 TO
MAKE AVAILABLE TO AIR PANAMA EXTRA ALLOTMENT OF 100,000
GALLONS. OFFICER OF CHEVRON INTERNATIONAL CONFIRMED THAT
THIS IS OVER AND ABOVE 189,400 GAL. SUPPLY CHEVRON HAD
AVAILABLE FOR AIR PANAMA USE FOR PERIOD NOV. 1-DEC. 23
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AND TOTAL OF 289,400 NOW AVAILABLE IS MORE THAN DOUBLE

AIR PANAMA'S 1972 CONSUMPTION OF 128,000 GAL. CHEVRON
MIAMI DOES NOT KNOW THE SOURCE OF EXTRA 100,000 GALLONS.

2. AT PRESENT TIME CHEVRON IN MIAMI HAS INSTRUCTIONS
TO SUPPLY ITS CUSTOMERS 90 PERCENT OF QUANTITIES OF

BONDED JET FUEL THEY RECEIVED IN 1972. AFTER JAN. 1
CHEVRON WILL BE ABLE TO SUPPLY ONLY 10 PERCENT OF 1972
QUANTITIES AS A RESULT OF CUT-OFF IN CRUDE SUPPLIES.
ACCORDING TO COMPANY OFFICIALS, THIS WILL APPLY TO ALL
REPEAT ALL CHEVRON BONDED JET FUEL CUSTOMERS IN MIAMI.
CHEVRON OFFICIALS ASSERT THAT COMPANY IS GIVING ALL ITS
CUSTOMERS EQUAL TREATMENT. THEY POINT OUT THAT BOTH
AEROMEX AND LAN CHILE RECEIVED CONSIDERABLY MORE FUEL
THAN AIR PANAMA IN 1972 AND THUS ON THE BASIS OF THE 90
PERCENT ALLOCATION BOTH AIRLINES NOW RECEIVE MORE GASOLINE
IN ABSOLUTE AMOUNTS THAN AIR PANAMA. HOWEVER, THEY
BELIEVE THIS DOES NOT CONSTITUTE DISCRIMINATORY TREATMENT
AS BOTH AIRLINES BEING LARGER THAN AIR PANAMA REQUIRE
LARGER AMOUNT OF FUEL. NEITHER AEROMEX NOR LAN CHILE,
ACCORDING TO THESE SOURCES, ARE RECEIVING PREFERENTIAL
TREATMENT.

3. WE ARE IN REGULAR CONTACT WITH AIR PANAMA LAWYER,
PANAMANIAN EMBASSY, AND OIL COMPANY REPS IN EFFORT TO
ASSIST AIR PANAMA TO FULLEST EXTENT. RUSH

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: CIVIL AVIATION, JET FUEL, RESERVE SHORTAGE, RATIONING, TRADE COMPLAINTS
Control Number: n/a
Copy: SINGLE
Draft Date: 15 DEC 1973
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: golinofr
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1973STATE245196
Document Source: CORE
Document Unique ID: 00
Drafter: HLSTEIN:JVC
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: n/a
From: STATE
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1973/newtext/t19731222/aaaaaqgs.tel
Line Count: 87
Locator: TEXT ON-LINE
Office: ORIGIN ARA
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators:
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: (A) PANAMA 6659; (B) SAYRE-BELL TELE, CON OF
Review Action: RELEASED, APPROVED
Review Authority: golinofr
Review Comment: n/a
Review Content Flags:
Review Date: 23 JAN 2002
Review Event:
Review Exemptions: n/a
Review History: RELEASED <23-Jan-2002 by martinjw>; APPROVED <07 MAR 2002 by golinofr>
Review Markings:

Declassified/Released
US Department of State
EO Systematic Review
30 JUN 2005

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: CIVIL AVIATION - AIR PANAMA JET FUEL PROBLEM
TAGS: ENRG, ETRN, PN, CHEVRON, AIR PANAMA
To: PANAMA
Type: TE
Markings: Declassified/Released US Department of State EO Systematic Review 30 JUN 2005